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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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[redacted]

The following comprises a listing of enterprises under the Main Administration for the Iron Industry and their personnel:

1. **Badeleben Iron Ore Mine (Eisenerzgrube Badeleben)**

   **Director : Jungk (fnu)**

   **Technical Director: Oehmke (fnu)**

   Badeleben produces much fine ore; because of a lack of a sintering plant, fine ore is being thrown on dumps. Through storing of fine ore, financial losses amounted by 1 April 1955 to 1,200,000 DME. Previously operated on a paying basis, Badeleben became a deficit enterprise. Production cost per ton is: 12 to 14 DME (wage expenses of 4 to 5 DME included)

2. **Huettenrode Iron Ore Mine (Eisenerzgrube Huettenrode)**

   **Deputy Technical Director: Hans Goll**

   **Commercial Director : Neubert (fnu)**

   **Huettenrode produces limonite.**

3. **Saalfeld Iron Ore Mine (Eisenerzgrube Saalfeld)**

   **Technical Director : Fischer (fnu)**

   **Commercial Director: Tschenisch (fnu)**

   **Chief Bookkeeper : Karpowski (fnu)**

   **The following mines which were formerly part of the Maxhuette enterprise belong now to Saalfeld: Kamsdorf, Wittmannsgereuth and Schmiedefeld. Iron content amounts to 15 to 20 percent. Production costs per ton are higher now (15 to 20 DME; in 1949 9 to 11 DME only) because Saalfeld has its own administrative organization at present.**

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4. Schmalkalden Iron Ore Mine (Eisenerzgrube Schmalkalden)

Director : Rosetz (fnu)

Technical Director : Guenther Hamm

Commercial Director: Jungk (fnu)

Chief Bookkeeper : Bichel (fnu)

Iron ore, fluorite and barite are produced here.

5. Stalinstadt Combine (Eisenhuettenkombinat Stalinstadt (EKS)), formerly Eisenhuettenkombinat Ost (EKO)

Director : Markowitsch (fnu)

Technical Director : Herk (fnu)

Commercial Director: Schmidt (fnu)

Chief Bookkeeper : Manfred Riedel

EKS produces about 600,000 tons pig iron; a new power plant was recently constructed which is operated with blast-furnace gas. EKS is a deficit enterprise. During the first quarter of 1955, the financial losses amounted to 18,000,000 DME; out of this sum 6,000,000 DME were in excess of the plan. The heavy deficit has been caused by:

a. High costs of production; e.g. the costs for each ton of pig iron amount to 230 - 250 DME, while the selling price is only 200 DME. Production costs for other minerals per ton are as follows: Coke 60 to 70 DME, scrap iron 25 to 38 DME, manganese 700 to 800 DME and ferrosilicon 400 to 600 DME.

b. Poor construction work of installations which were built very fast, and on a temporary basis to a large extent, causes interruptions in the production process and necessitates expensive repairs.

c. Shortage and poor quality of coke.

d. Poor quality of iron ore of which 60 to 70 percent is imported from Krivoi-Rog (USSR).

6. Riesa Steel and Rolling Mill (Stahl- und Walzwerk Riesa)

Director : Kempny (fnu)

Commercial Director: Mueller (fnu)

Chief Bookkeeper : Rupp (fnu)

Largest steel plant in East Germany with about 7,000 employees. At the beginning of 1955 the plant was directed to release 1,000 employees. Two steel mills belong to this enterprise, Steel Mill I and II; the latter was recently contructed and has two electric furnaces with a capacity of about 100 tons. The pig iron produced here is further processed in the rolling mills of this enterprise. Furthermore Trafocharges are manufactured at Riesa. Production costs per ton are as follows: welded pipes 230 DME; seamless pipes 260 to 270 tons; sheet bars 160 DME; steel produced in Steel Mill I 125 to 130 DME; steel produced in Steel Mill II about 150 DME; wire bars 180 DME; bar steel and structural steel [redacted] DME. Wage costs per ton amount to 16 to 25 DME. Riesa was a deficit enterprise before 1 April 1954. Through price increases, however, it became profitable. During the period 1 April to 31 December 1955 planned profits are to amount to about 6,000,000 DME.

7. Brandenburg Steel and Rolling Mill (Stahl- und Walzwerk Brandenburg)

Director: Fenske (fnu)



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Commercial Director: Kurt Hecht

Chief Bookkeeper : Kurt Liebert

First Secretary of party organization and Central Committee candidate: Eberhard Mimz (?).

Brandenburg has ten Siemens-Martin furnaces with a capacity of 150 tons each. The yearly production of raw steel is about 700,000 tons, of which 350,000 to 400,000 tons are processed further in the rolling mill. Brandenburg is the most modern steel plant in East Germany and has about 4,800 employees; however, it is also considered to be one of the most unprofitable enterprises. Uneconomic handling and poor construction of the furnaces which are being used to excess, heavy repairs of furnaces and machinery, too much administrative overhead, and other unproductive expenses are factors which cause high production costs and make this enterprise unprofitable. In order to exploit the furnaces to the fullest capacity, even high-quality spare machine parts are being used as scrap iron. The acceptance of outside orders so that the machines of the mechanical workshop can be fully operated cause a monthly financial loss of 20,000 to 25,000 DME. The training of apprentices costs about 200,000 DME a month.

8. Groeditz Steel and Rolling Mill (Stahl- und Walzwerk Groeditz)

Director : Gleitz (fnu)

Commercial Director: Willi Apitz

Chief Bookkeeper : Heither (?) (fnu)

These officials were fined on 29 June 1955 for setting up an incorrect financial plan.

The Groeditz steel plant is the only enterprise in East Germany equipped with a tire-rolling mill which is old and in need of overhauling. The following enterprises are dependent on the operation of this mill: the wheel set factory in Hornburg, the state railway repair workshops and railroad car construction plants. Production costs of Siemens-Martin raw steel amount to about 150 DME per ton.

9. Hennigsdorf Steel and Rolling Mill (Wilhelm Florin) (Stahl- und Walzwerk Hennigsdorf)

Director : Hensel (fnu)

Commercial Director: Elisabeth Ross

Chief Bookkeeper : Siegfried Radtke

Hennigsdorf is a deficit enterprise. The financial losses are caused, to a certain extent, by poor management for which Director Hensel is partly to blame. The uneconomic handling of furnaces which are being used to excess make expensive repairs necessary. Production costs per ton are as follows: Siemens-Martin steel 150 DME (raw material: 70 DME; processing 80 DME); cast iron (made in the Gray Iron Foundry Velten) 300 to 400 DME which is, however, of poor quality because of lack of hematite; thick metal plates 240 DME; scrap resulting from casting operations 17 to 28 DME; roll scale 9 DME; Siemens-Martin slag 6.20 DME; thin metal sheet 420 to 600 DME; bar steel 180 to 200 DME; rails, angles and U and I shapes 170 DME. The selling price for Siemens-Martin steel is only 102 to 106 DME per ton. However, the production costs of steel ingots being supplied from outside are about 48 DME less and therefore more economical than for steel ingots which come directly from Hennigsdorf. Poor management is further responsible for the fact that some rolling mills are less used while others are operated above capacity. The production costs of material processed in the less used rolling mills are out of proportion with the selling price. The deficit of the first quarter of 1955 amounted to 2,000,000 DME in excess of the plan. Even after a decreed cut in the price increase the deficit is



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still estimated to be 5,000,000 DME. The monthly production capacity of the Siemens-Martin furnaces is 33,000 to 37,000 tons. The planned pig iron charge was about 50 percent, but because of a shortage of this material, it was actually only 38 to 43 percent.

10. Maxhuette Unterwellenborn

Director : Buchholz (fnu)

Technical Director : Horst Jahn

Commercial Director: Schettler (fnu)

Chief Bookkeeper : Kamen (fnu)

The pig iron produced here is further processed in Maxhuette. Production of blast furnace manganese was taken up in low shaft blast furnaces on 1 May 1955. Many repairs are necessary in the extracting unit (Remmanlage) where fine ore is sintered. Production costs per ton are as follows: Thomas pig iron 180 DME; spiegeleisen 220 DME; Silberspiegel 250 DME; Thomas steel 230 to 240 DME. Wage costs per ton amount to 10 to 20 DME.

11. VEB Ironworks West (VEB Eisenwerk West), Calbe

Director : Riemer (fnu)

Technical Director : Horst Franz

Commercial Director: Oberkamp (fnu)

Chief Bookkeeper : Claus Boyens

Calbe is an unprofitable enterprise, partly because of the high number of employees. The planned deficit for the period 1 April 1955 - 31 December 1955 amounts to 16,500,000 DME. Foundry pig iron is being produced from limonite (shipped from Badelaben and Braunesumpf) for steel-casting foundries. Production cost per ton is 320 DME.

12. High-grade Steel Plant Doehlen (8 May) (Edelstahlwerk Doehlen)

Director : Foerster (fnu)

Commercial Director: Steinwitz (fnu)

Chief Bookkeeper : Hahn (fnu)

Doehlen has small Siemens-Martin furnaces with 15-ton production capacity each. Production cost run between 200 and 300 DME per ton. The 450 rolling train starts operating on 1 January 1956.

13. Ferroalloy Plant Lippendorf (Ferrolegierungswerk Lippendorf)

Director : Roskothen (fnu)

Commercial Director: Syrbe (fnu)

Chief Bookkeeper : Staude (fnu)

Crude ores which are imported from USSR and Albania are processed here into ferrosilicon and ferromanganese. Lippendorf has a yearly profit of about 11,000,000 DME. Production costs per ton are as follows: Ferrosilicon about 600 DME, Ferromanganese 700 to 800 DME.

14. Ferroalloy Plant Mueckenberg (near Lauchhammer) (Ferrolegierungswerk Mueckenberg)

Director : Peter (fnu)

Chief Bookkeeper: Siegfried Dorn



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Muecksenberg which employs 120 persons has only one furnace. The construction of a second one is planned for 1955-1956. Ferromanganese is produced here.

15. Thale Ironworks (Eisenhuttenwerk Thale)

Director : Sternkopf (fnu)

Commercial Director: Opitz (fnu)

Chief Bookkeeper : Pfaffe (fnu)

Although Thale is a profitable enterprise (planned earnings for the period 1 April - 31 December 1955 are to be 1,000,000 - 2,000,000 DME), it is confronted with production difficulties concerning enameled ware because of the lack of borax and with commercial difficulties because of the withdrawal of Soviet orders for wine storage tanks. 25X1

16. Silbits Steel Plant (Stahlwerk Silbits)

Director: Greif (fnu)

Silbits produces mostly cast steel. It is now shifting its production from large castings to medium and small castings. From the end of 1954 to the middle of 1955, it manufactured track-supporting rollers for tanks for the USSR. This enterprise is now confronted with economic difficulties because of insufficient orders and the high incidence of rejects. Production costs per ton are: steel casting 550 to 600 DME; Siemens-Martin raw steel ingot 160 DME.

17. Karl Marx Stadt Cast Steel Plant (Stahlformgiesserei Karl-Marx-Stadt)

18. Willi Becker Rolling Mill (Walzwerk Willi Becker), Kirchmoeser

Director : Popp (fnu)

Commercial Director: Stemmle (fnu)

Chief Bookkeeper : Richter (fnu)

The Willi Becker Mill produces sheet metal, particularly thick metal plates. Raw material is supplied by the Brandenburg Steel and Rolling Mill. Production costs are about 350 DME per ton.

19. Finow Rolling Mill (Walzwerk Finow)

Director : Meissner (fnu)

Commercial Director: Pritzsche (fnu)

These officials and the chief bookkeeper were penalized for setting up an incorrect economic plan. Finow, which is a deficit enterprise, produces structural steel. The financial losses during the period 1 April - 31 December 1955 are planned to amount to about 3,000,000 DME. Out of this sum 1,700,000 DME are to be used as starting run expenses (Anlaufkosten) for a hot strip mill (Warmbandstrasse) the operation of which is scheduled for 1 January 1956.

20. Burg Rolling Mill (Walzwerk Burg)

Commercial Director: Neumann (fnu)

Production and productions costs are the same as at Willi Becker Rolling Mill.

21. Olbernhau Rolling Mill (Walzwerk Olbernhau)

Chief Bookkeeper: Lehmann (fnu)

Production costs are high because the rolling mill does not operate at full capacity. In general they are the same as at the Willi Becker Rolling Mill.

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22. Ilsenburg Wheel Set Factory (Radsatzfabrik Ilsenburg)

Director : Abesser (fnu)

Commercial Director: Ladday (fnu)

Chief Bookkeeper : [illegible] (fnu)

Although there will be a deficit for the period 1 April - 31 December 1955, these losses were not provided for in the economic plan.

23. Ilsenburg Copper Plant (Michael Niederkirchner) (Kupferwerk Ilsenburg)

Director : Bindseil (fnu)

Commercial Director: Kuhlmey (fnu)

Chief Bookkeeper : Schatz (fnu)

These officials were penalized on 29 June 1955 for setting up an incorrect economic plan. Ilsenburg produces electrolytic copper and heavy steel sheet which makes this enterprise profitable and yields about 4,000,000 to 5,000,000 DME yearly. Raw material for the latter is supplied from the Brandenburg Steel and Rolling Mill.

24. Brotterode Drawing Works (Ziehwerk Brotterode)

Director : Recknagel (fnu)

Commercial Director and Chief Bookkeeper: Alfred Kaufmann

Brotterode produces strip and bar steel. Production costs per ton amount to about 200 DME.

25. Delitzsch Drawing Works (Ziehwerk Delitzsch)

Commercial Director and Chief Bookkeeper: Theo Roedler

Delitzsch produces strip and bar steel. Production costs per ton amount to about 180 DME.

26. Lugau Drawing Works (Ziehwerk Lugau)

Commercial Director and Chief Bookkeeper: Foerster (fnu)

Lugau manufactures bar steel. Production costs amount to about 160 DME per ton.

27. Oranienburg Cold-rolling Mill (Kaltwalzwerk Oranienburg)

Director : Schulze (fnu)

Chief Bookkeeper: Liedke (fnu)

Oranienburg produces bar steel, paper clips, umbrella frames, pens and hardware. The profits are planned for the period 1 April - 31 December 1955 are to amount to 800,000 DME.

28. Karl Marx Stadt Tubing Plant (Rohrwerk Karl-Marx-Stadt)

Director: Paradith (fnu)

29. Leipzig Iron and Steel Plant (Leipziger Eisen- und Stahlwerke (LES))

Chief Bookkeeper: Funke (fnu)

LES which produces steel castings and machine parts has about 5,000 employees. Production costs per ton for steel castings amount to 300 to 400 DME.



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30. Electric Steel Castings Plant (Elektrostahlgusswerk Leipzig (EWL))

Director: Franke (fnu)

EWL produces machine parts and propellers. The plant faces no difficulties concerning the supply of non-ferrous metals, particularly nickel. Production costs amount to about 500 DME per ton.

31. Mostan

Director: Grabner (fnu)

This enterprise was transferred to the Main Administration for Brown Coal on 1 April 1955. 25X1

32.

33. Senftenberg Machine Foundry Plant (Maschinengiesserei Senftenberg)

34. Grossenhain Steam Hammer Plant (Dampfhammerwerk Grossenhain)

35. Frankleben Steelworks (Stahlwerk Frankleben)

Chief Bookkeeper: Koehler (fnu)

Frankleben is a profitable enterprise. Production costs per ton for steel castings amount to about 300 DME.

36. Quedlinburg Rolling Foundry Plant (Walzengiesserei Quedlinburg)

Commercial Director: Fischer (fnu)

Chief Bookkeeper : Koenig (fnu)

Quedlinburg is a deficit enterprise and the new additional charges (Anhaengebetrag) for chilled roll iron do not cover the production costs.

37. Coswig Rolling Foundry Plant (Walzengiesserie Coswig)

Director: Schmaedeke (fnu)

38. Bad Salzungen Cold-rolling Mill (Kaltwalzwerk Bad Salzungen)

Director: Teichmann (fnu)

1. [redacted] Comment: Possibly transformer plates or laminations. 25X1



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